

# REORGANIZATION PLAN SUBMITTAL SHEET

(Each municipality in a School Union must be indicated separately.)

School Administrative Units Included in <b>APPROVED</b> Notice of Intent	School Administrative Units Submitting Reorganization Plan
Heron School Department	Heron School Department
MSAD # 23	MSAD # 23

## Contact Information:

RPC Chair

Name: Kathleen Carmichael

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email: kbcarmichael@aol.com

Date Plan Submitted: 12/22/2008

Proposed RSU Operational Date: July 1, 2010

Patricia A. Duran 12/22/08

Signature/Title  
Superintendent of Schools

Date

Hermon School Department  
SAU

[Signature]

12/22/08

Date

Hermon School Department  
SAU

Signature/Title  
Chairman  
Hermon School Committee

[Signature]

12/22/08

Date

Hermon School Department  
SAU

Signature/Title  
Vice Chairman  
Hermon School Committee

[Signature]

12/22/08

Date

Hermon School Department  
SAU

Signature/Title  
Hermon School Committee

[Signature]

12-22-08

Date

Hermon School Department  
SAU

Hermon School Committee

Hermon School Department

Signature/Title  
Hermon School Committee

Date

SAU

[Signature]

12-23-08

Date

MSAD # 23  
SAU

Signature/Title

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SAU

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Date

SAU

# REORGANIZATION PLAN

REC'D DEC 30 2008

SAU Submitting: **Hermon School Department  
MSAD 23 – Carmel and Levant**

Contact Information: **Patricia A. Duran, Superintendent  
Hermon School Department  
PO Box 6360  
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**Telephone: (207) 848-4087  
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**John Backus, Superintendent  
MSAD 23  
44 Plymouth Road  
Carmel, ME 04419**

**Telephone: (207) 848-5173  
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Date Submitted by SAU: December 30, 2008

Proposed RSU Operational Date: July 1, 2009

# Reorganization Plan Cover Sheet

(Please attach Reorganization Plan as Exhibit A)

Required Elements							
Law Reference Item Number Sub- Chapter 2	Item	N/A	Complete	In Progress	Not Yet Started	Identified Barrier <sup>1</sup>	Need Assistance <sup>2</sup>
3.A(1)	SAUs included in RSU		<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3.A(2)	Size of governing body		<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Composition of governing body		<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Apportionment of governing body		<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3.A(3)	Method of voting of the governing body		<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3.A(4)	Composition of local school committees	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Powers of local school committees	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Duties of local school committees	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3.A(5)	Disposition of real & personal school property		<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3.A(6)	Disposition of existing school indebtedness (if not using provisions of section 1506)		<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Disposition of lease-purchase obligations (if not using provisions of section 1506)		<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3.A(7)	Assignment of school personnel contracts		<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Assignment of school collective bargaining agreements		<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Assignment of other school contractual obligations		<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3.A(8)	Disposition of existing school funds and existing financial obligations		<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3.A(9)	Transition plan that addresses the development of a budget for the first school year		<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Transition plan that addresses interim personnel policies		<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3.A(10)	Documentation of the public meeting(s) held to prepare or review reorganization plan		<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3.A(11)	Explanation of how units that approve reorganization plan will proceed if one or more units do not approve the plan		<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3.A(12)	Estimate of cost savings to be achieved		<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3.A(13)	Such other matters as the governing bodies of the school administrative units in existence on the effective date of this chapter may determine to be necessary		<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

<sup>1</sup> Please explain why this is a barrier and what assistance you need to remove this barrier on the next page.

<sup>2</sup> Please explain what assistance you need to complete this portion of your plan, and state from whom you need assistance, on page 3.

Parameters for Plan Development							
Law Reference Item Number Sub- Chapter 2	Item	N/A	Complete	In Progress	Not Yet Started	Identified Barrier <sup>3</sup>	Need Assistance <sup>4</sup>
3.B(1)	Enrollment meets requirements (2,500 except where circumstances justify an exception <sup>5</sup> )		<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Sec. XXXX-36, Parameter B	When viewed in conjunction with surrounding proposed units, may not result in one or more municipalities being denied the option to join an RSU		<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3.B(2)	Comprehensive programming for all students grades K-12		<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Includes at least one publicly supported high school		<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3.B(3)	Consistent with policies set forth in section 1451		<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3.B(4)	No displacement of teachers		<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	No displacement of students		<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	No closures of schools existing or operating during school year immediately preceding reorganization, except as permitted under section 1512		<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Sec. XXXX-26, Parameter F	The plan must address how the school administrative unit will reorganize administrative functions, duties and noninstructional personnel so that the projected expenditures of the reorganized school unit in fiscal year 2008-2009 for system administration, transportation, special education and facilities and maintenance will not have an adverse impact on the instructional program <sup>6</sup>		<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Collaborative Agreements		
	Yes	No
Does your plan currently include information/documentation on collaborative agreements? (not required, but encouraged)	<input checked="" type="checkbox"/>	<input type="checkbox"/>

### Exceptions to 2,500 minimum

Actual number of students for which the SAU is fiscally responsible: 1869

Exception	Exception Claimed in Plan	Documentation Provided? (Please attach as Exhibit B)	
		Yes	No
Geography	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Demographics	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Economics	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Transportation	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Population Density	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Other Unique Circumstances	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>

<sup>3</sup> Please explain why this is a barrier and what assistance you need to remove this barrier on the next page.

<sup>4</sup> Please explain what assistance you need to complete this portion of your plan, and state from whom you need assistance, on page 3.

<sup>5</sup> Please note in the *Exceptions to 2500 minimum* section on next page

<sup>6</sup> This requirement is only for those who plan to be operational as an RSU in fiscal year 2008-2009, in accordance with a Reorganization Plan that is approved by the Commissioner and by the voters.

**Explanation of Barriers –**

Please use this section to explain any/all barriers identified on the previous page as a barrier in completing your Reorganization Plan.

Law Reference/Required Element	Explanation of the barrier

**Assistance Needs –**

Please use this section to describe your needs for assistance and from whom you need assistance.

Law Reference/Required Element	Explanation of your assistance need	Assistance needed from whom?

**1. The units of school administration to be included in the proposed reorganized regional school unit.**

The proposed regional school unit includes the following school administrative units:

- A. Town of Hermon, a municipal school unit.
- B. Maine School Administrative District No. 23.

## **2. The size, composition and apportionment of the governing body.**

The Regional School Unit Board will be composed of 12 members.

Hermon will be represented by six members of the RSU Board.

Carmel will be represented by three members of the RSU Board.

Levant will be represented by three members of the RSU Board.

Board members shall receive initial compensation of \$25 per member per meeting attended.

## **3. The method of voting of the governing body.**

The voters in each of three towns shall elect residents of the town to the board.

The towns and their populations are as follows:

Municipality	Population	# of Board Members	Votes per Member
Hermon	5,168	6	1
Carmel	2,551	3	1
Levant	2,498	3	1
	10,217	12	

The initial RSU board shall be elected in accordance with 20-A M.R.S.A. § 1472-A and shall have the transitional powers and duties provided by 20-A M.R.S.A. § 1461-A.

Each board member shall serve a 3-year term, except that the initial terms of the members of the first regional school unit board shall be staggered as provided by Section 20-A M.R.S.A. § 1472-B.

Please see Exhibit 3.

If the Board determines that the size and composition of the Board are not serving the best interest of the RSU, it may initiate a reapportionment process pursuant to Section 1475 for that reason.



4. The composition, powers and duties of any local school committees to be created.

NOT APPLICABLE

5. The disposition of real and personal school property.

A. Real Property and Fixtures. Except as listed below, all real property interests, including without limitation land, buildings, other improvements to realty, easements, option rights, first refusal rights, and purchase rights, and all fixtures, of the school administrative units shall be property of the region. The regional school unit board may require such deeds, assignments or other instruments of transfer as in its judgment is necessary to establish the region's right, title and interest in such real property and fixtures.

The following real property interests and associated fixtures shall not be transferred:

Name of SAU

Description of Excluded Property

Hermon

9 acres of open land behind Hermon Elementary School will be retained by the town of Hermon but reserved for school expansion.

All real property and fixtures not described in the above list shall be transferred to the regional school unit.

The disposition of the above non-transferred property, if any, shall be as follows:

Any excepted real property and fixtures shall become the property of the municipality in which it is located.

B. Personal Property. All other tangible school personal property, including movable equipment, furnishings, textbooks and other curriculum materials, supplies and inventories shall become property of the region as successor of the SAUs, except as listed below:

Name of SAU

Description of Excluded Personal Property

Hermon

Communications tower located at Hermon High School remains the property of the Town of Hermon.

The regional school unit board may require such assignments, bills of sale or other instruments of transfer as in its judgment is necessary to establish the region's right, title and interest in such personal property.

C. Agreements to Share or to Jointly Own Property. In cases where real or personal school property is shared or is jointly used by an SAU with a municipality or other party, the regional school unit shall be the successor in interest to the SAU, unless that shared or jointly used property has been excepted in the above list of excepted real property or, as applicable, the above list of excepted personal property.

The Hermon School Department and MSAD # 23 both have policies and practices that encourage the community use of school facilities. Both school units have a long history of cooperation between the towns' recreation departments, scouts, and other community organizations. The RPC for the Hermon, Carmel, Levant RSU highly recommends that the RSU Board promote and adopt similar policies and practices to continue these cooperative ventures.

Additionally, some aspects of the technological network for communication may continue to be shared between the new RSU and the Town of Hermon with the possibility of including the towns of Carmel and Levant in the future.

Our community schools are recognized by their respective communities as designated public shelters in emergency situations and will continue to be used in that manner.

**6. The disposition of existing school indebtedness and lease-purchase obligations if the parties elect not to use the provisions of Section 1506 regarding the disposition of debt obligations.**

- A. Bonds, Notes and Lease Purchase Agreements That the Region Will Assume. The region shall assume liability to pay the following bonds, notes and lease purchase agreements:

Name of SAU	Year Issued	Original Principal Amount	Asset Acquired, Constructed or Renovated	Principal Balance as of July 1, 2009	Final Maturity Date
MSAD 23	1996	\$4,818,500	Suzanne M. Smith Elementary	\$1,927,400	11/01/2016
Hermon	1994	\$12,525,000	Hermon High School	\$2,985,000	11/01/2013
Hermon	2000	\$1,000,000	Hermon Elementary School	\$80,760	05/30/2011
Hermon	2001	\$1,000,000	Hermon Middle School	\$120,000	11/01/2011
Hermon	2006	\$ 953,604	Hermon Middle School	\$242,520	11/01/2016

Additionally, other bonds, notes and lease purchase agreements issued by an SAU before the operative date of the region shall be assumed by the region, provided the SAU issued the bond, note or lease purchase agreement in the normal course of its management of the schools for an essential purpose to replace its existing facilities and existing items of equipment that are not longer serviceable or to keep them in normal operating condition.

B. Bonds, Notes and Lease Purchase Agreements That the Region Will Not Assume. Pursuant to 20-A M.R.S.A. § 1506(4), the region does not assume the following bonds, notes and lease purchase agreements, which shall continue to be paid by the original members of the SAU indicated, and the region shall serve as fiscal agent for the SAU for that purpose:

Name of SAU	Year Issued	Original Principal Amount	Asset Acquired, Constructed or Renovated	Principal Balance as of July 1, 2009	Final Maturity Date
Hermon	2006	\$3,879,000	Hermon Middle School Originally 1952 Renovated in 2006	\$3,470,000	11/01/2020

#### Debt Service/Capital Improvements Agreement

Hermon will maintain responsibility for all its local only middle school debt. Carmel and Levant will be responsible in the future for the capital improvement costs for Carmel and Levant schools up to an amount equal to the balance due on the local only Hermon debt as of July 1, 2009 (approximately \$3.47 million). Once that amount of money is spent or deposited in capital reserves by Carmel and Levant, all capital improvement costs in the RSU will be shared based on the agreed upon cost sharing formula. Capital improvements to satisfy this section will be determined and reviewed by the sitting RSU Board.

C. New Capital Project Debt that Region Will Issue and Assume. If the voters or other applicable legislative body of an SAU has authorized the issuance of bonds for a school construction or a minor capital project, but the SAU has not issued all of the authorized permanent bonds for that project, the regional school unit board shall issue bonds or notes to finance the completion of that project and to refund any temporary notes that the SAU issued for that project, as required by 20-A M.R.S.A. § 1506(5). With respect to such new project debt, the region shall assume liability to pay the following bonds, notes and lease purchase agreements:

SAU	Project Description	Principal Amount	Date Authorized by SAU Legislative Body
NOT APPLICABLE			

D. New Capital Project Debt that the Region Will Issue But Will Not Assume. If the voters or other applicable legislative body of an SAU has authorized the issuance of bonds for a school construction or a minor capital project, but the SAU has not issued all of the authorized permanent bonds for that project, the regional school unit board shall issue bonds or notes to finance the completion of that project and to refund any temporary notes that the SAU issued for that project, as required by 20-A M.R.S.A. § 1506(5). With respect to such new project debt, the region will not assume liability to pay the following bonds, notes and lease purchase agreements:

SAU	Project Description	Principal Amount	Date Authorized by SAU Legislative Body
NOT APPLICABLE			

E. Defaulted Debt is Excluded from Being Assumed. Notwithstanding anything in this Plan to the contrary, except where legally required to do so, the region will not assume any bond, note or lease purchase agreement as to which the SAU is in breach or has defaulted.

F. Other Debt Not Assumed. Except as provided in this section of the Plan, the region will not assume liability for any bonds, notes or lease purchase agreements issued by an SAU prior to the operative date of the region.

## **7. The assignment of school personnel contracts, school collective bargaining agreements and other school contractual obligations.** **(Revised 6/19/08)**

A. School Personnel Contracts. A list of all written individual employment contracts to which each of the existing SAUs is a party is attached as Exhibit 7-A. Pursuant to Section XXXX-43(5), individuals on the list who are employed on the day before the operational date shall become employed by the RSU as of the operational date, and their contracts shall be assumed by the RSU on the operational date. This provision does not prevent the existing SAUs from terminating or nonrenewing the contracts of employees in accordance with applicable law before the operational date of the RSU. The list shall be updated and made final no later than the day before the operational date of the RSU.

A list of all employees of the existing SAUs who do not have written individual employment contracts is attached as Exhibit 7-B. Pursuant to Section XXXX-43(5), individuals on the list who are employed on the day before the operational date shall become employed by the RSU as of the operational date. This provision does not prevent the existing SAUs from terminating employment of the employees in accordance with applicable law before the operational date of the RSU. The list shall be updated and made final no later than the day before the operational date of the RSU.

The duties and assignments of all employees transferred to the RSU shall be determined by the Superintendent of the RSU or his/her designee.

B. School Collective Bargaining Agreements. The following collective bargaining agreements to which the SAUs are a party shall be assumed by the regional school unit board as of the operational date:

SAU	Positions Included in Bargaining Unit	Next Termination Date
Hermon	Teachers	8/31/09
MSAD 23	Teachers	8/31/09
Hermon	Support Staff	6/30/09

All of the employer's rights and responsibilities with respect to collective bargaining shall be fully assumed by the regional school unit board as of the operational date.

C. Other School Contractual Obligations. A list of all contracts to which the existing SAUs are currently a party and that will be in effect as of the operational date is attached as Exhibit 7-C.

**8. The disposition of existing school funds and existing financial obligations, including undesignated fund balances, trust funds, reserve funds and other funds appropriated for school purposes.**

A. Existing Financial Obligations. Pursuant to PL 2007 Ch 24 the disposition of existing financial obligations is governed by this plan.

Existing financial obligations shall include the following:

- (i) all accounts payable;
- (ii) to the extent not included as accounts payable, any financial obligations which under generally accepted accounting principles would be considered expenses of the SAU for any year prior to the year the RSU becomes operational, whether or not such expenses were budgeted by the SAU in the year the obligations were incurred, including for example summer salaries and benefits; and
- (iii) all other liabilities arising under generally accepted accounting principles that can be reasonably estimated and are probable.

Each SAU shall satisfy its existing financial obligations from all legally available funds. If an SAU has not satisfied all of its existing financial obligations, the SAU shall transfer sufficient funds to the region to satisfy its remaining existing financial obligations, and the regional school unit board shall be authorized to satisfy those existing financial obligations on behalf of the SAU. If the SAU does not transfer to the region sufficient funds to satisfy its existing financial obligations, then to the extent permitted by law, the regional school unit board may satisfy those obligations from balances that the SAU transfers to the region. If the available balances transferred are insufficient to satisfy the SAU's existing financial obligations, or are not legally available for that purpose, the regional school unit board may take any action permitted by law so that all of the municipalities of the region are treated equitably with respect to the unsatisfied existing financial obligations of an SAU. For example, to the extent permitted by law, the regional school unit board may satisfy the unpaid existing financial obligations of an SAU in the same manner and with the same authority as for unassumed debt under the provisions of 20-A M.R.S.A. § 1506(4).

Additionally, to the extent permitted by law, if in the judgment of the regional school unit board it must raise funds from all its members to satisfy existing financial obligations of an SAU, the regional school unit board also shall be authorized to raise additional amounts for the purpose of making equitable distributions (which may be made in the form of credits against assessed local shares of the region's approved budget) to those region members that would otherwise bear costs attributable to unsatisfied existing financial obligations of an SAU for which they had no financial responsibility.

The intent of the preceding sentence is that financial responsibility for unsatisfied existing financial obligations of an SAU be borne by its members and not by the other members of the region.

B. Remaining Balances.

As part of the transition to the cost sharing formula of the regional school unit, the unexpended balances received by the treasurer of the regional school unit from Maine School Administrative District No. 23, after application as described above to satisfy existing financial obligations, shall be used during the first five fiscal years of the RSU to reduce the local contributions of the towns of Carmel and Levant to the RSU. The aggregate amount to be used in each of the first four of these five fiscal years to reduce the local contributions of the towns of Carmel and Levant shall be approved in writing by a majority of those members of the RSU Board representing Carmel and Levant. The amount used in each of the first five fiscal years to reduce the contributions of Carmel and Levant shall be allocated between them in proportion to the amounts of their respective State valuations in the preceding calendar year. As well, the unexpended balances from the Town of Hermon, after application as described above to satisfy existing financial obligations, will be credited to Hermon's assessments during the first five fiscal years to reduce the local contributions of the Town of Hermon. It is the intention of the Regional Planning Committee that RSU Board members representing the Town of Hermon will determine the amount of credit to be applied to reduce the local contribution over the first four years of the existence of the RSU with any remaining credit applied no later than the fifth year.

C. Reserve Funds. SAUs shall transfer remaining balances of reserve funds to the regional school unit. Unless otherwise provided by applicable law, a transferred reserve fund shall be used in accordance with its original purpose to benefit a school or schools of the original SAU. Transferred reserve funds shall be subject to Title 20-A M.R.S.A. § 1491, except that the transfer of funds in a reserve fund or a change in purpose of the fund may only occur in such manner that the funds continue to benefit the members of the SAU that transferred that reserve fund to the region.

D. Scholarship Funds. SAUs shall transfer remaining balances of scholarship funds to the region. Scholarships shall be limited to the original pool of potential recipients unless otherwise provided by the donor or by applicable law.

E. Trust Funds. SAUs shall transfer trust funds to the region. The regional school union board shall be deemed the successor trustee for all purposes, except as provided by the trust or by applicable law.



**9. A transition plan that addresses the development of a budget for the first school year of the reorganized unit and interim personnel policies.**

A. Transition Plan for Budget Development. The regional school unit board shall establish interim rules of procedure and shall elect interim officers who shall serve until officers are elected at a meeting following the operational date of the region.

The regional school unit board shall select a superintendent of schools in accordance with Section 1051 of Title 20-A. During the interim period, the salary, office and other expenses of the superintendent, as well as the cost of the regional school unit board, including insurance, shall be allocated to the school administrative units as provided below.

It shall be the responsibility of the new RSU Board to create a proposed budget for the 2009-2010 school year.

The regional school unit board shall be authorized to take all other actions and shall have all other authority provided under state law to prepare for the regional school unit to become operational on July 1, 2009; including the authority to open and maintain accounts, to incur expenses not to exceed \$ 500,000 to be allocated among the regional school unit member SAUs in accordance with their respective most recent state valuation and to file applications for school construction projects and revolving renovation fund loans and other available funding.

B. Transition Plan for Personnel Policies. All personnel policies existing in the previous school administrative units shall continue to apply to the same employment positions after they become part of the regional school unit. The regional school unit board and superintendent will develop and adopt region-wide policies in accordance with applicable law.

**10. Documentation of the public meeting or public meetings held to prepare or review the reorganization plan.**

Minutes of the following public meeting(s) held to prepare or review the reorganization plan are attached as Exhibit 10-A:

September 19, 2007	6:30 pm	Suzanne Smith School
October 2, 2007	6:30 pm	Hermon Middle School
October 23, 2007	6:30 pm	Caravel Middle School
November 8, 2007	6:30 pm	Hermon High School
November 19, 2007	6:30 pm	Carmel Elementary School
January 24, 2008	6:30 pm	Hermon Elementary School
March 11, 2008	6:30 pm	Suzanne Smith School
May 20, 2008	6:30 pm	Hermon Middle School
July 15, 2008	6:30 pm	Hermon High School
September 23, 2008	7:00 pm	Carmel Elementary School
October 30, 2008	6:30 pm	Hermon Middle School

Mediation sessions were held as follows:

July 29, 2008	6:30 pm	Suzanne Smith School
August 19, 2008	6:30 pm	Hermon High School
September 16, 2008	6 pm	Caravel Middle School.

Minutes were not taken at the mediation sessions.

**11. An explanation of how units that approve the reorganization plan will proceed if one or more of the proposed members of the regional school unit fail to approve the plan.**

If the plan is rejected by one or more SAUs, the region shall not be formed under this plan, and the SAUs shall re-start the process to form a regional school unit with the same or other school administrative units and may seek assistance from the Department of Education to form another reorganization plan pursuant to PL 2007, Ch 240.

**12. An estimate of the cost savings to be achieved by the formation of a regional school unit and how these savings will be achieved.**

The RPC discussed at length the issue of cost savings. For a number of reasons, the RPC felt that there would not be any savings at least in the first few years of consolidation. The RPC realized that there are too many variables to be able to identify any specific savings or additional costs for the RSU or for its member communities. Many of these variables are indeed out of the control of the RPC or even the RSU Board. They are issues that will be decided by the state or through negotiations. We offer the following to benefit the RSU Board as it works to create their first budget and negotiate with the various groups of employees.

1. Hermon has a labor market factor of 1.02 whereas MSAD 23 has .89. Depending upon how and when the state decides to adjust for this discrepancy, the dollar amount could affect the RSU budget.
2. Hermon's teachers have a much higher pay scale than MSAD 23's. Hermon's medical and dental costs for teachers are much higher than MSAD 23's.
3. The cost of wages of support staff may be very similar but is difficult to judge since the support staff has no salary scale to easily compare. The medical and dental insurance, however, is much more costly in Hermon. Again, these are issues that will be determined through negotiations.

The RPC also recognizes that bringing these two units together would be a challenge financially for the following reasons:

1. MSAD 23 already shares many staff and their related costs with MSAD 38. The current budget for MSAD 23 reflects that savings.
2. Hermon's budget is considerably over EPS whereas MSAD 23's is only slightly over.

The RPC offers the following areas for the RSU Board to pursue in order to find efficiencies that will result in cost savings for the three communities.

1. Make a formal request that the Commissioner include Carmel and Levant in the Bangor labor market region for 2009-2010.
2. Negotiate with the various labor groups to bring insurance benefits more in line with the private sector.
3. Develop a long-range plan for system administration, special services, and transportation/operations and maintenance that, through attrition, would reduce the system administration by one superintendent, one special services director, and one transportation/operations and maintenance supervisor.
4. Explore the employment of special services (OT, PT, etc.) to reduce cost of contracted services.
5. Use the increased district size to benefit from bulk or group purchases.
6. Develop collaborative relationships with other units to find savings in purchases of supplies, fuel, professional development, technology (including hardware), etc.

The RPC understands that there will be additional costs related to consolidation that will go beyond the monies available through the Department of Education for these purposes. They include:

1. Additional legal costs
2. Cost of initial election of Board members
3. Preparation of deeds
4. Purchase of financial services to combine bookkeeping operations
5. Negotiations support
6. Clerical and professional cost of combining policies
7. Cost associated with having same transportation communications system, changing of signs, lettering buses, transferring registration of vehicles, etc.
8. Cost of issuing two sets of W-2s in first year
9. Increased audit costs.

**13. Such other matters as the governing bodies of the school administrative units in existence on the effective date of this chapter may determine to be necessary.**

The Town of Hermon and the Hermon School Department have worked collaboratively to design, develop and support an extensive communications network which serves all K-12 students as well as components of the municipality. This network, partially hosted at Hermon High School, was part of a promise to the citizens of Hermon when Hermon High School was constructed in 1993 – 1995. The RPC recognizes that this communications network cannot easily be replicated and strongly recommends that the RSU Board make provisions to see that technology services provided to Hermon schools are not reduced or diminished in any way. The RPC further recommends that collaboration for the communication network continue to exist with the town of Hermon including a staff to operate, maintain and continue to develop this community asset.

It is understood that municipal services derived from this network will be paid for by the municipality and that future services, if made available to communities of the RSU, will be paid for by the community requesting such service.

**13-A. Plans to reorganize administration, transportation, building and maintenance and special education.**

N/A

**13-B. Cost Sharing in Regional School Units. (Revised 6/19/08)**

The regional school unit may raise money, in addition to the required local contribution pursuant to Title 20-A, Section 15690, subsection 1 for educational purposes. The additional local costs of operating the regional school unit shall be shared among all the municipalities within the regional school unit on the basis of the following formula:

- a) 50% shall be shared on the basis of the fiscal capacity of each member municipality; and
- b) 50% shall be shared on the basis of the number of resident pupils in each member municipality.

This local cost sharing formula applies only to the amount, if any, of additional local funds and non-state funded debt service raised by the regional school unit. It does not apply to the required local contributions raised by each municipality pursuant to 20-A M.R.S.A. § 15688.

This local cost sharing formula may be amended by using the following procedure if requested by a written petition of at least 10% of the number of voters voting in the last gubernatorial election within the regional school unit or if approved by a majority of the full Board of Directors of the RSU.

1. The RSU will hold at least one meeting with the municipal representatives to reconsider the method of cost sharing.
2. The RSU will form a committee comprising of one member chosen by each of the municipalities and one RSU board member from each municipality.
3. The Reconsideration Committee will meet and discuss the data and other information as needed by the committee. The superintendent will serve as the facilitator of the meeting unless the committee chooses another person for that role.
4. The committee, by majority vote, will submit a recommendation to the RSU Board. If the committee recommends a change in the cost sharing formula, the recommendation must also include an effective date for that change.
5. The RSU Board will call for a referendum vote, held under the procedures applicable to conducting referendum votes in regional school units, for the purpose of acting upon the recommended change in the cost sharing formula.
6. Notwithstanding the preceding sentence, the change will be effective upon approval of the voters in each municipality, thus each community must approve the change.
7. The secretary of the RSU board will notify the state of any change.

### **13-C. Election of initial Board of Directors**

Please see Exhibit 3.

### **13-D. Tuition Contracts and Assignment of Tuition Students**

The following tuition contract is in existence as of the date of this Plan:

#### **1. Tuition Contract**

<b>SAU</b>	<b>Other Party</b>	<b>Description</b>	<b>Termination Date</b>
Hermon	MSAD # 23		8/31/2010

MSAD 23 operates a pre-K to grade 8 district and has an exclusive contract with the Hermon School Department for their high school program. A previous contract with Hermon allowed for the MSAD 23 Board to approve a parent's request for his/her child to attend a different high school provided that the parent could prove to the Board that there was an educational opportunity needed by the child provided at the alternate high school and not at Hermon High School. The current contract recognizes that provision and allows for those students who had been approved previously to be "grandfathered" and to be able to continue to attend that alternate high school until graduation. The current contract calls for all non-grandfathered Carmel and Levant students in grades 9 – 12 to attend Hermon High School.

#### **2. School Choice**

<b>SAU</b>	<b>Description</b>
NOT APPLICABLE	

### **13-E. Claims and Insurance.**

#### **Disclosure of claims**

The parties are aware of no lawsuits, administrative complaints, due process proceedings, notices of claim and other claims existing as of September 25, 2008.

SAU	Claimant	Title of Proceeding	Jurisdiction	Nature of claim
	None			

### **13-F. Vote to submit reorganization plan to Commissioner.**

Before submitting a reorganization plan to the Commissioner of Education the governing body of each school administrative unit shall adopt the following vote:

Vote to be Adopted by Hermon School Committee and the MSAD # 23 Board of Directors to Submit Reorganization Plan to Commissioner:

VOTED: That the provisions included in the school reorganization plan prepared by the proposed RSU # 14 Reorganization Planning Committee to reorganize the Hermon School Department and MSAD # 23 into a regional school unit with an operational date of July 1, 2009, are determined to be necessary within the meaning of Section PL 2007 Ch 24(5)(M) and that the Superintendent of Schools be, and hereby is, authorized and directed to submit the school reorganization plan to the Commissioner of Education on behalf of this school administrative unit by November 18, 2008.



### **13-G. Section for RSUs with fewer than 2,500 students**

Whereas MSAD 23 serves students in grades PreK-8, and Hermon serves a PreK-12 population, our districts have collaborated to serve students in grades 9 - 12 for more than forty years.

Geographically, our location is reasonably well suited for collaborating as there are multiple routes of travel between the three towns while extending to additional towns/areas which were originally considered as partners is limited to major highways.

Two other SAUs in the immediate area met the minimum enrollment guideline of 2,500 students and chose not to enter into discussions for consolidation.

## RSU 14 BOARD OF DIRECTORS

			Approximate	
	Number of		Length of	Reelection
Town	Members		Initial Term	Date
Hermon	6	A	1 Year	2010 June Town Meeting
		A	1 Year	2010 June Town Meeting
		B	2 Years	2011 June Town Meeting
		B	2 Years	2011 June Town Meeting
		C	3 Years	2012 June Town Meeting
		C	3 Years	2012 June Town Meeting
Carmel	3	A	1 Year	2010 March Town Meeting
		B	2 Years	2011 March Town Meeting
		C	3 Years	2012 March Town Meeting
Levant	3	A	1 Year	2010 November Election
		B	2 Years	2011 November Election
		C	3 Years	2012 November Election

Exhibit 7-A  
Written Individual Employment Contracts

District	School	Name	Position	Contract Expiration
MSAD 23		John Backus	Superintendent - 67%	6/30/2012
MSAD 23	Carmel Elementary	Candice Devlin	Principal	6/30/2009
MSAD 23	Caravel Middle	Rhonda Sperrey	Principal	6/30/2009
MSAD 23	Suzanne M. Smith Elementary	Lorri Day	Principal	6/30/2009
MSAD 23		Lesley Snyder	Director of Special Services	6/30/2009
MSAD 23		Lisa Collette	Curriculum Coordinator	6/30/2009
MSAD 23		Roberta Doughty	Technology Coordinator	6/30/2009
MSAD 23		Christina Murdy	Food Service Director - 50%	6/30/2009
MSAD 23		Mike Corson	Maintenance/Transportation Director - 44%	6/30/2009
Hermon		Patricia Duran	Superintendent	6/30/2012
Hermon		Larry Dearborn	Trans/Maint Director	6/30/2009
Hermon		Gail Gordon	Curriculum Coordinator	6/30/2010
Hermon		Brandy St. Pierre	Special Services Director 80%	6/30/2011
Hermon		Jeffrey Wheeler	Information Services Director	6/30/2011
Hermon		Alan Owen	Asst to IS Director	6/30/2009
Hermon		Stephen Davis	IS Technician	6/30/2009
Hermon		Scott DeRaps	IS Technician	6/30/2009
Hermon		Jason Davis	Maintenance	6/30/2009
Hermon		Robert Hill	Mechanic	6/30/2009
Hermon		Kara Kitchen	LCSW	8/24/2009
Hermon		Christina Murdy	Food Services 50%	6/30/2009
Hermon	Hermon Elementary	Barbara Libby	Principal	6/30/2011
Hermon	Hermon Middle	James Russell	Principal	6/30/2010
Hermon	K-8	Jill Churchill	Guidance Counselor	8/31/2010
Hermon	Hermon High	Brian Walsh	Principal	6/30/2011
Hermon	Hermon High	Michael O'Brien	Assistant Principal	6/30/2009
Hermon	Hermon High	Paul Soucy	Athletic Director	6/30/2010
Hermon	Hermon High	Cecile Achey	Guidance Counselor	6/30/2009
Hermon	Hermon High	Ken Frederick	Guidance Director	8/14/2009
Hermon	Hermon High	Christopher Bowers	JROTC	6/30/2009
Hermon	Hermon High	Thomas Copeland	JROTC	6/30/2009

## Exhibit 7-B

## No Written Individual Employment Contracts

District	Location		Position			
MSAD 23	Supt.'s Office	Evelyn Curtis	Administrative Assistant / Supt. - 67%			
MSAD 23	Supt.'s Office	Shirley Waning	Bookkeeper - 67%			
MSAD 23	Supt.'s Office	Tanya Groh	Administrative Assistant / Special Services			
MSAD 23	Supt.'s Office	Tonya Richardson	Ed Tech II Technology			
MSAD 23	Supt.'s Office	Lori Perry	Curriculum Coordinator Secretary - 10%			
MSAD 23	Bus Garage	Duane Smith	Mechanic - 44%			
MSAD 23	Carmel Elementary	Nanette Jarvis	**Administrative Assistant			
MSAD 23	Carmel Elementary	Susan Michel-Veon	Ed Tech III Title			
MSAD 23	Carmel Elementary	Karen Wilson	Ed Tech II Regular Ed - All Grades to 5			
MSAD 23	Carmel Elementary	Lori Perry	Ed Tech II Special Education			
MSAD 23	Carmel Elementary	Vincent Cegledy	Ed Tech II Local Entitlement			
MSAD 23	Carmel Elementary	Colleen Pelkey	Ed Tech I Remedial			
MSAD 23	Carmel Elementary	Wendy Hill	Ed Tech I Pre-K			
MSAD 23	Carmel Elementary	Lori Devlin	Ed Tech I Local Entitlement			
MSAD 23	Carmel Elementary	Linda Ricker	Ed Tech I Special Education			
MSAD 23	Carmel Elementary	Raquel Brown	Ed Tech I Grade 5			
MSAD 23	Carmel Elementary	Eda Stoll	**Cook			
MSAD 23	Carmel Elementary	Betty Herschel	**Assistant Cook			
MSAD 23	Carmel Elementary	Cedric Ryder	**Custodian			
MSAD 23	Carmel Elementary	Robert Jarvis, Jr.	**Custodian			
MSAD 23	Carmel Elementary	David Fisher	**Custodian			
MSAD 23	Suzanne M. Smith Elementary	Sherry Peary	**Administrative Assistant			
MSAD 23	Suzanne M. Smith Elementary	Denise Golding	Ed Tech II Title			
MSAD 23	Suzanne M. Smith Elementary	Stacy Lozier	Ed Tech II Local Entitlement			
MSAD 23	Suzanne M. Smith Elementary	Wanda Feeney	Ed Tech II Remedial			
MSAD 23	Suzanne M. Smith Elementary	Bethany Downs	Ed Tech II K			
MSAD 23	Suzanne M. Smith Elementary	Cathy Bemis	Ed Tech I Pre-K			
MSAD 23	Suzanne M. Smith Elementary	Kathy Pinkham	**Cook			
MSAD 23	Suzanne M. Smith Elementary	Pauline Bigelow	** Assistant Cook			
MSAD 23	Suzanne M. Smith Elementary	Darrell Bragg	**Custodian / Bus Driver			
MSAD 23	Suzanne M. Smith Elementary	Nathan Peary	**Custodian / Bus Driver			
MSAD 23	Suzanne M. Smith Elementary	Ernest Gray	** Night Custodian			
MSAD 23	Caravel Middle	Rachel Tucker	**Administrative Assistant			
MSAD 23	Caravel Middle	Teresa Tyrrell	Ed Tech III Special Education			
MSAD 23	Caravel Middle	Theresa Curtis	Ed Tech II Title			
MSAD 23	Caravel Middle	Thomas Caldwell	Ed Tech II Title			
MSAD 23	Caravel Middle	Michele Jason	Ed Tech II Special Education			
MSAD 23	Caravel Middle	Judi Curtis	Ed Tech II Special Education			
MSAD 23	Caravel Middle	Cassandra DuBose	Ed Tech I Special Education			
MSAD 23	Caravel Middle	Donna Mellott	**Cook			
MSAD 23	Caravel Middle	Krista Potter	**Cook			
MSAD 23	Caravel Middle	Dennis Gray	**Custodian			
MSAD 23	Caravel Middle	Louise Boutot	**Custodian			
MSAD 23	Carmel Elementary / Caravel Middle	Debra Ripa	Ed Tech I Library			
MSAD 23	Suzanne M. Smith Elem. / Caravel Middle	Susan Cox	Ed Tech I Library			

MSAD 23		Ida Daigle	**Bus Driver		
MSAD 23		Waltina Hodgkins	**Bus Driver		
MSAD 23		Frank Smith	**Bus Driver		
MSAD 23		Lorraine Leonard	**Bus Driver		
MSAD 23		Dawn Worcester	**Bus Driver		
MSAD 23		Ronna Mason	**Bus Driver		
MSAD 23		Grace Beckwith	**Bus Driver		
MSAD 23		Robin Reid	**Bus Driver		
		** Presumably will come under Support Staff Bargaining Unit			
Hermon	Supt's. Office	Rhonda Byers	Finance Manager		
Hermon	Supt's. Office	Rhonda Hachey	Special Services Secretary		
Hermon	Supt's. Office	Gaynor Reynolds	Secretary to Superintendent		
Hermon	Supt's. Office	Joel Saad	IS Technician 50%		
Hermon	Hermon Elementary	Amanda Cupps	Ed Tech		
Hermon	Hermon Elementary	Cindy Dauphinee	Ed Tech		
Hermon	Hermon Elementary	Kathy Gallant	Ed Tech		
Hermon	Hermon Elementary	Mark Ganglfinger	Ed Tech		
Hermon	Hermon Elementary	Libby Hersom	Ed Tech		
Hermon	Hermon Elementary	Nikki Higgins	Ed Tech		
Hermon	Hermon Elementary	Autumn Nye	Ed Tech		
Hermon	Hermon Elementary	Dianna Werner	Ed Tech		
Hermon	Hermon Elementary	Sarah Windsor	Ed Tech		
Hermon	Hermon Middle	Tammy Garland	Ed Tech - Library		
Hermon	Hermon Middle	Karen Hutchinson	Ed Tech		
Hermon	Hermon Middle	Gail Nightingale	Ed Tech		
Hermon	Hermon Middle	Kimberly Pike	Ed Tech		
Hermon	Hermon Middle	Robin Smith	Ed Tech		
Hermon	Hermon Middle	Julie Wess	Ed Tech		
Hermon	Hermon High	Joann Bourgoin	Ed Tech		
Hermon	Hermon High	Genevieve Burger	Ed Tech		
Hermon	Hermon High	Ruth Buzzell	Ed Tech		
Hermon	Hermon High	Riley Donovan	Ed Tech		
Hermon	Hermon High	Patti Doucette	Ed Tech		
Hermon	Hermon High	Carol Doyon	Ed Tech		
Hermon	Hermon High	Robert Estey	Ed Tech		
Hermon	Hermon High	Mark Francis	Ed Tech		
Hermon	Hermon High	Jayne Gove	Ed Tech - Library		
Hermon	Hermon High	Joy Gustin	Ed Tech - Library		
Hermon	Hermon High	Corinne Hillman	Ed Tech		
Hermon	Hermon High	William Kane	Ed Tech		
Hermon	Hermon High	David Kluzak	Ed Tech		
Hermon	Hermon High	Vicki McLaughlin	Ed Tech		
Hermon	Hermon High	Stephen Metcalfe	Ed Tech		
Hermon	Hermon High	John Partridge	Ed Tech		
Hermon	Hermon High	Justin Perry	Ed Tech		
Hermon	Hermon High	Sarah Sorg	Ed Tech		

Exhibit 7-C  
Other School Contractual Obligations

District	Contracting Party	Type of Contract	Contract Expiration
MSAD 23	Mechanical Services	Boiler / Burner Maintenance	June 30, 2009
MSAD 23	A.E. Robinson	Fuel Oil	June 30, 2009
MSAD 23	ICON Office Solutions	Copier Supplies & Maintenance	November 14, 2010
MSAD 23	Xerox	Printer Maintenance	November 14, 2010
MSAD 23	ADS	Accounting	June 30, 2009
MSAD 23	US Cellular	Cellular Services	October 16, 2009
MSAD 23	Neuropsychology Services	Neuropsychology Testing	June 30, 2009
MSAD 23	Bangor YMCA	Use of Swimming Pool	June 30, 2009
MSAD 23	Pine Tree Society	Speech	June 30, 2009
MSAD 23	Eastern Maine Medical Center	Audiology Testing	June 30, 2009
MSAD 23	Warren Center	Speech	June 30, 2009
MSAD 23	Elizabeth Field	Autism Consultant	June 30, 2009
MSAD 23	Results Physical & Occupational Therapy	PT and OT	June 30, 2009
MSAD 23	Nancy L. Murray, O.D.	Eye Evaluation	June 30, 2009
Hermon	Eastern Maine Counseling & Testing	Student psychological testing	June 30, 2009
Hermon	Elizabeth Field	Autism Consultant	
Hermon	Maine State Billing Services	Process of Medicare Services	
Hermon	David Moran	Behavioral Specialist	June 30, 2009
Hermon	Pine Tree Society	ACAT Program	
Hermon	Therapy Solutions	Occupational/Physical Therapy	June 30, 2009
Hermon	Lesley Helyar-Steltzer	Speech Services	June 30, 2009
Hermon	University of Maine	Speech Services	June 30, 2009
Hermon	Ann Hartman	LCSW	June 30, 2009
Hermon	EMMC	Professional Services	June 30, 2009
Hermon	JoAnn Lancaster	ESL Tutor	June 30, 2009
Hermon	Yilan Mooney	ESL Tutor	June 30, 2009
Hermon	Blue Bird Leasing	Bus Lease/Purchase	June 30, 2011
Hermon	Sobo-Tech Fitness	Fitness Equipment Maintenance	
Hermon	Transco	Copier Maintenance & Supplies	July 15, 2010
Hermon	Tyler Technologies, Inc.	Accounting Software Maintenance	June 30, 2009
Hermon	Camden National Bank	School PR / School AP	
Hermon	Pine Tree Waste	Waste Removal Services	June 30, 2009
Hermon	Radio Telephone of Maine	Alpha Paging Services	
Hermon	Concentra Medical Centers	Workers Comp Employee Health Svcs	
Hermon	Runyan Kersteen & Ouellette	Audit Services	June 30, 2009
Hermon	Dysart's Service	#2 Fuel for Schools	
Hermon	D.A. Pearson	Contract and #2 Fuel for Supt Office	
Hermon	Iparadigms, LLC	Institutional License Service Fee	June 30, 2009
Hermon	ADT Security Systems, Inc.	High School Security System	January 31, 2009
Hermon	Proquest Inform & Learning	Elibrary K-12	June 30, 2009
Hermon	One Beacon America	General Liability Insurance	August 28, 2009
Hermon	Russell Patten Agency	School Leaders Errors & Omissions	September 22, 2009
Hermon	Maine Municipal Association	Workers Compensation Insurance	
Hermon	Maine Municipal Association	Property & Casualty Insurance	July 1, 2009
Hermon	Educational Consortium	Erate Services	
Hermon	Follett Software	Support Services	
Hermon	Lewis & Associates	Electronic 941 Filing	
Hermon	Open Text, Inc.	FirstClass Maintenance	August 31, 2009
Hermon	Oxford Networks	Internet Service Provider	
Hermon	Fairpoint	Internet Service Provider	
Hermon	One Communciations	Internet Service Provider	
Hermon	Unicel	Cell Phone Provider	
Hermon	Sheila Thibodeau	Drug & Alcohol Services	June 30, 2009

Hermon	Brent Scobie	Drug & Alcohol Services	June 30, 2009
Hermon	Town of Hermon	Internet Service Purchaser	
Hermon	Town of Glenburn	Internet Service Purchaser	

## Exhibit 10-A

### Regional Planning Committee Minutes – September 19, 2007 Suzanne Smith School, Levant

#### In Attendance:

SAD 23

School Board:

Shannon Knowles (L), Ken Rautiola (L)

Tracy Smith (C)

Superintendent:

John Backus

Hermon

Town Council:

Ralph Carr, Sharon Nickerson

Town Manager:

Clint Deschene

School Board:

Wendy Berglund, Donna Pulver, Shelley Snow,

John Snyder, Gail Tudor

Superintendent:

Patricia Duran

Citizens:

Rhonda Byers, Kathleen Carmichael,

Brian Walsh

Mr. Backus convened the meeting at 6:30 pm and welcomed Mary Jane McCallum, MDOE consultant, who will facilitate the RPC meetings. Mr. Backus explained that Mary Jane will provide guidance and serve as a resource as this group works toward meeting the December 1 deadline to provide the MDOE with a Reorganization Plan. Introductions followed. Commissioner Gendron has approved the Notice of Intent submitted by Hermon and SAD 23. When asked if there is any assurance that RSU#14 is complete, Mary Jane replied that there is "no sure thing" but safe to assume and proceed forward. Goal is to finalize Plan which must then receive approval from both school boards, citizens in respective communities by referendum vote and MDOE. If December 1 deadline is met, MDOE will pay for cost of a January 15 special referendum. If referendum is delayed to June 10 primary election, local expense would be cost of additional ballot. Facilitators are encouraging RPC committees statewide to exercise "due diligence" to complete Plan as law is clear that submission deadline is December 1. RSU start up date (July 1, 2008 vs. July 1, 2009) must be determined and included in Plan.

The thirteen required elements of the Plan were reviewed (attached). It was the consensus of the Committee to form the following sub committees: Governance, Debt & Asset Distribution, Personnel, and Transition. Although not a requirement, it was agreed that a fifth committee, Curriculum, would be formed with the task of preparing an inventory of programs currently being offered as background information for the RSU governance board. It was agreed that members will indicate their preference of committee to their respective superintendents for final assignment before the next RPC meeting. The Superintendents will serve as resources with a chair and recorder determined for each sub committee. Rotation will be established whereby sub committees meet and then report out to RPC, return to sub committee responsibilities and so forth until Plan is finalized.

It was agreed that RPC recorder will be compensated from DOE funds.

#### Next meeting:

**Tuesday, October 2, 2007**

**6:30 pm**

**Hermon Middle School Multi-Purpose Room**

Gaynor Reynolds, Recorder



Regional Planning Committee  
Minutes – October 2, 2007  
Hermon Middle School

In Attendance:

Hermon

Town Council  
School Board

Superintendent:  
Citizens

Ralph Carr, Sharon Nickerson  
Wendy Berglund, Shelley Snow,  
Donna Pulver, John Snyder, Gail Tudor  
Patricia Duran  
Rhonda Byers, Kathleen Carmichael,  
Brian Walsh

SAD 23

Selectman – Levant  
Selectwoman- Carmel  
Town Manager – Levant  
School Board:

Steve Call  
Sue Rudnicki  
Scott Pullen  
Pat Webber, Tracy Smith,  
Shannon Knowles, Ken Rautiola  
Robin Fisher

Citizen

Maine State Representative, District 23 David Richardson

Superintendent Duran called the meeting to order at 6:30 p.m. She distributed copies of a template prepared and presented by Drummond Woodsum in partnership with MSMA at a recent seminar entitled "School Reorganization: Part II – How to Create a Reorganization Plan" and offered that she has six copies of the law available as well. Mrs. Duran suggested that the Committee consider working as a group and using this template to "fill in the blanks." The Committee took fifteen minutes to review a reference sheet she prepared and to align their individual sub committee assignment to the template.

Although some Committee members expressed concern for working as a group, the Committee moved forward with a discussion to determine the method of voting of the governing body (page 3) and cost sharing (page 26) with no consensus.

On a motion by Mr. Webber, seconded by Mr. Carr, RPC members voted to move to sub committees.

Voting for: Berglund, Byers, Call, Carmichael, Carr, Fisher, Nickerson, Pullen, Pulver,  
Rudnicki, Snow, Snyder, Tudor, Walsh, Webber  
Voting against: Knowles, Rautiola  
Abstain: Smith

SUB COMMITTEES

Debt & Asset Distribution

Steve Call  
John Luce  
Pat Webber

Clint Deschene  
Sharon Nickerson  
John Snyder

Governance

Peter Pelletier  
Ken Rautiola

Ralph Carr  
Gail Tudor

Personnel

Sue Rudnicki  
Tracy Smith

Kathleen Carmichael  
Brian Walsh

Transition Planning/Cost Saving

Robin Fisher  
Scott Pullen

Rhonda Byers  
Donna Pulver

Educational Programming & Other

Debbie CoWallis  
Shannon Knowles

Wendy Berglund  
Shelley Snow

On a motion by Mr. Carr, seconded by Mr. Walsh, RPC members voted to recommend that there be no local school committees (page 7) within RSU #14.

Unanimous vote

Adjournment at 7:30 p.m.

RPC will meet at 6:30 p.m. Tuesday, October 23, at Carvel Middle School.

Regional Planning Committee  
Minutes – October 23, 2007  
Caravel Middle School

In Attendance:

Hermon

Town Council  
Town Manager  
School Board

Superintendent  
Citizens

Sharon Nickerson

Clint Deschene

Wendy Berglund, Shelley Snow,

Donna Pulver, John Snyder

Patricia Duran

Rhonda Byers, Kathleen Carmichael,

Brian Walsh

SAD 23

Selectman – Carmel

Selectman – Levant

Town Manager – Levant

School Board

Superintendent

John Luce

Steve Call

Scott Pullen

Shannon Knowles, Ken Rautiola

Tracy Smith

John Backus

Maine State Representative, District 23

David Richardson

Superintendent Backus called the meeting to order at 6:30 p.m. and asked for a report out from sub committees. Mrs. Duran spoke to a report from the Governance Committee prepared by Mr. Carr (who is vacationing out of state) on the census figures, valuations, county tax levies and a recommendation for the composition of the board of directors for RSU #14.

Mr. Backus distributed a calendar highlighting the deadlines to meet for plan submission by December 1. He then distributed and spoke to the plan prepared the previous evening by the RPC for RSU #19 (SAD #38 & SAD #48) effective July 1, 2009.

On a motion by Mr. Walsh, seconded by Mrs. Berglund, the Committee voted to set a stipend of \$25/meeting (with no mileage) for RSU #14 board members' attendance at all meetings.

Voting for:	Nickerson, Deschene, Berglund, Pulver, Snyder, Byers, Carmichael, Walsh, Luce, Call, Pullen, Knowles, Smith,
Voting against:	Snow
Abstain:	Rautiola

Mr. Backus reminded the RPC that this vote will be a part of the plan to go before the voters in Carmel, Hermon and Levant for approval.

It was agreed that Hermon must determine the property to be transferred to RSU #19.

Mr. Backus encouraged the RPC to allow the two superintendents and two school board chairs to "fill in the blanks" of the plan to bring before the RPC for consideration.

Discussion ensued re the governance of RSU #14. Although concern was expressed for having an even number of representatives, the RPC discussed Mr. Carr's recommendation for eight representatives. Mr. Backus will review the formulas behind this recommendation and provide the information prior to the next meeting.

On a motion by Mrs. Carmichael, seconded by Mr. Luce, the RPC voted to forego the sub committee format and agreed to have the superintendents work with a small group to complete the plan for RPC approval.

Voting for: Nickerson, Deschene, Berglund, Snow, Pulver, Snyder,  
Byers, Carmichael, Walsh, Luce, Call, Pullen, Knowles,  
Smith

Voting against: Rautiola

Mr. Rautiola requested that the RPC "pick a plan and stick with it" to complete responsibilities.

In response to Mr. Walsh's concern for expected changes to the law and how they will impact a submitted plan, Mr. Backus offered that the plan could be submitted as incomplete or subject to revision. Mrs. Duran added that Commissioner Gendron has stated that she expects to receive incomplete plans. Mr. Deschene suggested adding a list of unresolved and/or yet to be discussed matters, e.g., Hermon.net. The plan does include an "Other" section.

Because of his familiarity with SAD #23, SAD #38, SAD #48 and Hermon, Mr. Backus sees himself as a "common denominator" between the two RSUs and believes there could be some cost savings for both through collaboration. Effective July 1, 2009, Mr. Backus will have three years remaining on his contract with RSU #14 and RSU #19. He plans to retire in a few years, has no interest in taking on the superintendency and has every confidence in Mrs. Duran's abilities to serve as RSU #14's superintendent. He proposed that he could serve as an assistant superintendent with responsibility for the business aspect for the two units in terms of where monies could be saved (transportation, operations/maintenance, food services, technology as a communications tool, human resources, contracted services, etc.). He suggested that this concept could be included in the plan as a potential cost savings and ultimately approval will be sought from the RSU. The proposal could be a transition plan for cost savings and eventual phasing out of the position of assistant superintendent.

RPC meetings were scheduled for 6:30 p.m. as follows:

Thursday, November 8	Hermon Elementary School
Monday, November 19	Carmel Elementary School
Tuesday, November 27	Hermon High School.

Thought is to have citizens vote on the plan in June 2008. Brief discussion was held re the pros/cons of staggering the election of RSU board members.

Adjournment at 7:40 p.m.

Gaynor Reynolds, Recorder

Regional Planning Committee  
Minutes – November 8, 2007  
Hermon High School

In Attendance:

Hermon

Town Council  
Town Manager  
School Board  
Superintendent  
Citizens.

Ralph Carr, Sharon Nickerson  
Clint Deschene  
Wendy Berglund, Donna Pulver, John Snyder  
Patricia Duran  
Rhonda Byers, Brian Walsh (7:40 pm)

SAD 23

Selectman – Carmel  
Selectwoman – Carmel  
Town Manager – Levant  
School Board

John Luce  
Sue Rudnicki  
Scott Pullen  
Debbie CoWallis, Shannon Knowles,  
Peter Pelletier, Ken Rautiola (6:50 pm),  
Tracy Smith  
John Backus

Superintendent

Superintendent Backus called the meeting to order at 6:30 pm and distributed a draft of Reorganization Plan items 1-8 for discussion and action. Items 9-13 will be addressed at the next meeting.

- Item 1. RSU #14 – MSAD #23 and Hermon School Department
- Item 2. On a vote Mr. Carr, seconded by Mrs. CoWallis, the RPC voted that RSU #14 will be composed of 12 members with equal voting privileges (no weighted votes).  
Unanimous vote
- Item 3. When the RSU #14 board is formed, members will be elected with staggered terms: Carmel and Levant - 1 person each for 1 year, 2 year and 3 year terms; and Hermon - 2 persons for 1 year, 2 year and 3 year terms.
- Community breakdown will be Carmel 3, Levant 3 and Hermon 6.  
Board members shall receive \$25/member/meeting subject to voter approval.
- Item 4. Not applicable. At a previous meeting the RPC voted not to have local school committees.
- Item 5. The RPC was amenable to the information prepared re the disposition of real and personal property, i.e., (1) certain parts of Hermon.net shall be excluded and held under municipal ownership and (2) all tangible school personal property shall transfer to the RSU. A statement describing the community use of school facilities and a list of building assets were included in this item. With the formation of RSU #14 and the need for long range planning, Mr. Backus commented that the towns of Carmel and

Levant may want to initiate discussions about their opportunities to take advantage of Hermon.net. Mrs. Duran added that Mr. Wheeler is already building a new network for it's his vision that the three towns will be one learning community. Mrs. Duran cautioned that Hermon.net is an expensive venture and is not supported by EPS (Essential Programs and Services) funding. It was agreed that Mr. Backus, Mr. Deschene and Mrs. Duran will prepare specific recommendations with regard to Hermon.net for the next meeting. Under paragraph C, Hermon asked to retain the baseball field north of the elementary school driveway and the recreational field behind the elementary school as municipal property, both of which would be shared with the schools. A transfer of deeds will take place for Carmel and Levant, but Hermon will need to survey lands and create deeds for the baseball and rec fields.

Should RSU #14 approve his offer to serve as assistant superintendent, Mr. Backus proposed that the current SAD #23 central office continue as his office location. It was noted that Hermon does not have a lease with the IOOF for central office space.

Item 6. State law reads that any indebtedness with state approval must be transferred to the RSU: Suzanne Smith Elementary School, Hermon Elementary School, Hermon Middle School and Hermon High School. Additionally, Hermon residents approved local funds of \$3,879,000 for renovations to Hermon Middle School. Discussion ensued as to whether Hermon's local indebtedness should be transferred to RSU #14. It was agreed that Mr. Backus and Mrs. Duran will prepare an estimate of the financial implications in terms of a percentage of the total budget to forward to the membership before the next meeting. Mr. Backus did cautioned the members that "fair is fair" as they make their decision now yet look to the future building needs of the communities. Should Carmel/Levant vote not to include Hermon's local indebtedness in the Plan, will Hermon be willing to approve a future building or renovation need in Carmel/Levant that does not have state approval?

Item 7. SAD #23 has a teachers bargaining contract expiring August 2008, and Hermon has teachers and support staff bargaining contracts expiring August 2009. It was noted that it would cost \$150,000 to bring SAD #23 teachers up to Hermon's scale. The RPC was provided a list of employees with individual employment contracts (annual to multi year) as well as a list of employees without individual employment contracts who will transfer to RSU #14. The lists will be Exhibits 7-A1 and 7-A2 to the plan. Exhibit 7-C, other school contractual obligations, is the final list under this item.

Item 8. Mr. Backus explained that no action is needed and encouraged RPC members to read this section which addresses the remaining balances, scholarship monies, reserve funds and trust funds, all of which will transfer to RSU # 14, and email him with questions. After a brief discussion about fund balances and the desire not to transfer all balances to the 08-09 budget, RPC members endorsed Mrs. Duran's suggestion that a reserve account be established for each community to be used to stabilize local assessments to RSU #14 and to help with cash flow. Residents must vote in June 2008 to give approval to these new reserve accounts.

Mr. Carr expressed appreciation and thanks to the superintendents for the work completed thus far.

Plan is to "clean up" items discussed tonight and address remaining items 9 -13 at the next meeting on **Monday, November 19, at 6 pm at Carmel Elementary School**. In the interim Mr. Backus will provide facilitator Mary Jane McCallum with a copy of the draft plan to review and provide comments.

Adjournment at 8 p.m.

Submitted by Gaynor Reynolds, Recorder

Regional Planning Committee  
Minutes – November 19, 2007  
Carmel Elementary School

In Attendance:

Hermon

Town Council  
Town Manager  
School Board  
Superintendent  
Citizens

Ralph Carr, Sharon Nickerson (6:25 pm)  
Clint Deschene  
Wendy Berglund, Donna Pulver, John Snyder, Gail Tudor  
Patricia Duran  
Kathleen Carmichael, Rhonda Byers, Brian Walsh

SAD #23

Selectman – Carmel  
Selectwoman – Carmel  
Town Manager – Carmel  
School Board  
Superintendent

John Luce  
Sue Rudnicki  
Jim Collins  
Debbie Co Wallis (6:40 pm), Shannon Knowles, Peter Pelletier  
(6:40 pm), Ken Rautiola, Pat Webber, Tracy Smith  
John Backus

Superintendent Backus called the meeting to order at 6 pm. Introductions followed. Mr. Backus distributed a draft Reorganization Plan and reminded the RPC that both school boards must vote to submit a Plan to the Department of Education by December 1, 2007. RSU #14 operational date will be July 1, 2009.

Item 1. RSU #14 – MSAD #23 and Hermon School Department

Item 2. Twelve members with equal voting privileges (no weighted votes).

Should there be a vacancy in an unexpired term, Mr. Backus explained that the affected community will appoint an interim member until the next election. Should the community not have an individual willing to serve. Mr. Deschene asked about granting the weighted vote to that community until the board returns to its full membership. Mr. Webber questioned the definition of a quorum, i.e., the number of votes needed to pass a motion. Mr. Backus will seek legal clarification.

Item 3. Initial RSU #14 board members will be elected in November 2008 with staggered terms: Carmel and Levant - 1 person each for 1 year, 2 year and 3 year terms; and Hermon - 2 persons for 1 year, 2 year and 3 year terms. Community breakdown will be Carmel 3, Levant 3 and Hermon 6. Once elected, a lottery will determine length of term for each member. Board members shall receive \$25/member/meeting subject to voter approval.

Item 4. Not applicable. At a previous meeting the RPC voted not to have local school committees.

Item 5. Disposition of Property

The six school buildings will transfer to the RSU. Other property remains under discussion. Mrs. Duran offered that Hermon High School is recognized as a designated public shelter in emergency situations. Carmel Elementary School has the same designation. It was agreed that community use of the school buildings is a high priority for the three towns.

Item 6. Disposition of Existing School Indebtedness The RPC must determine if RSU #14 will assume Hermon's local indebtedness for the Hermon Middle School renovation project. (2009 balance: \$3,470,000)

Item 7: Assignment of School Personnel

Attachments to the Plan:

- A. List of employees with written individual employment contracts and list of employees without written individual employment contracts;
  - B. List of collective bargaining agreements;  
MSAD will negotiate a one year contract with teachers for 2008-09.
  - C. List of contractual obligations to be in effect as of 7/1/09.
- The superintendents will bring budget prep materials to subsequent meetings.

**Item 8: Disposition of Existing School Funds**

Special district or town meetings will be held asking voters to approve placing some of the fund balance into a separate reserve account so that the RSU will not have to spend all monies in one year.

**Item 9. Transitional Plan**

Once the State Board of Education issues a certificate of organization to the two boards, RSU #14 may start the budget process or (with a November 2008 election of RSU board members) may wait for the newly elected RSU board members to start the budget process. Yet to be established is amount of money to cover RSU transition responsibilities (policy review, negotiations, etc.). Superintendent Backus recommended no decision on cost sharing pending Legislative action.

**Item 10. Documentation of Public Meetings**

Minutes of September 19, October 2, October 23, November 8 and November 19 RPC meetings are on audio tape with a printed copy on file in Hermon and SAD 23 central offices.

**Item 11. Failure to Approve Plan**

Option A was chosen. If Plan is rejected by the voters of Hermon or SAD 23, the RSU will not be formed under this Plan. Negotiations would begin again to develop a plan more acceptable to voters.

**Item 12. Estimate of Cost Savings remains under discussion. With salary negotiations and inflationary costs in goods and services, a savings over the present budget is not expected.****Item 13: Other Matters Determined Necessary – None anticipated.****Item 13A. Plans to Reorganize Administration, Transportation, Building and Maintenance and Special Education**

The RPC will study this item to try to find savings. It was agreed that language re possible combining of services with other districts should read "with other RSUs".

**Item 13B. Cost Sharing in RSUs**

Because of possible Legislative action, this item remains in progress.

**Item 13C. The Commissioner will be holding regional meetings with town clerks to discuss the election process for the initial board of directors.****Item 13D. Tuition Contracts and School Choice – Still under discussion.****Item 13E. Claims and Insurance – None.****Item 13F. Vote to Submit Reorganization Plan to Commissioner**

Mr. Deschene expressed concern for how few decisions have been made to date. Consensus was to cancel November 27 RPC meeting. Hermon will vote tomorrow night and SAD 23 next week to submit Plan.

On a motion by Mr. Carr, seconded by Mr. Pelletier, the RPC voted to submit Plan with changes as proposed tonight.

Voting for: Carr, Berglund, Pulver, Snyder, Tudor, Duran, Carmichael, Byers, Walsh, Luce, Rudnicki, Collins, CoWallis, Knowles, Pelletier, Rautiola, Webber, Backus

Voting against: Deschene, Nickerson

Abstain: Smith

Mr. Backus will provide RPC members with a final copy of the Plan. The RPC will meet next in January 2008. The superintendents will determine meeting date and prepare agenda.

In response to a question from Dr. Tudor about school capacity, Mr. Backus stated that he does not envision any additions to SAD 23's buildings.

Adjournment at 7:45 p.m.

Submitted by Gaynor Reynolds, Recorder



Regional Planning Committee  
Minutes – January 24, 2008  
Hermon Elementary School

In Attendance:

Hermon

Town Council  
Town Manager  
School Committee

Ralph Carr, Sharon Nickerson  
Clint Deschene  
Wendy Berglund, Donna Pulver, Shelley Snow,  
John Snyder  
Rhonda Byers, Brian Walsh  
Patricia Duran

Citizens  
Superintendent

SAD 23

Town Manager, Levant  
Board of Directors

Scott Pullen  
Debbie CoWallis, Shannon Knowles, Peter Pelletier,  
Ken Rautiola, Tracy Smith, Pat Webber  
John Backus

Superintendent

Guests

HES Principal  
Hermon parent  
BDN Reporter

Barbara Libby  
Kim Nichols  
Toni Robbins

Superintendent Duran called the meeting to order at 6:30 pm with brief comments about the January 15 RPC informational meeting re Hermon.net. She then spoke to the December 14 letter from Commissioner Gendron addressing required elements of RSU #14's Plan not yet completed and emphasized that the Legislature continues to discuss the reorganization law. At the prompting of Superintendent Duran, members discussed the method of voting. It was agreed that every effort would be made to strive for consensus followed, if necessary, by a super majority vote of those present to pass items. RPC members began a discussion of items needing decisions.

3.1 The disposition of real and personal property

Consensus was to transfer the school buildings and grounds immediately around each to RSU#14. Superintendents are to prepare a proposal for next meeting which addresses SAD 23 retaining its administrative office building and bus garage and Hermon retaining its recreational fields.

3.2 The disposition of existing indebtedness

By law, any project indebtedness with DOE approval must transfer to the RSU. Re Hermon Middle School's indebtedness (project did not receive DOE approval), Superintendent Duran commented that with transfer of ownership to the RSU, the mortgage should transfer as well. Mr. Deschene added that the MS project did receive a \$1 million in State of Maine Revolving Renovation loan.

Superintendents will contact Jim Rier, DOE, for funding information and then prepare a proposal (as if HMS had DOE approval) of state and local shares and the proportionate share for each of the three communities.

Superintendents will also prepare a spreadsheet tallying the local debt only on the K-8 buildings for each community. Consensus was that RSU #14 will assume debt on all state approved construction projects of Hermon and SAD #23. Mr. Rautiola added that whatever the decision on HMS's debt, it's important that information be communicated clearly and equitably to the three communities.

### 3.3 Disposition of Existing School Funds Including Fund Balances

Plan submitted December 1, 2007, included the following language: "It is recommended that any additional dollars beyond the estimated balance for the year ending June 30, 2008, be voted to place those funds in a special reserve account to reduce town assessment for a specified number of years."

### 3.4 A transition plan for development of a first year budget and interim personnel policies

RSU#14's directors will be elected in November 2008 and take office July 1, 2009. A transition plan is not necessary.

### 3.5 An estimate of cost savings and details to the new unit as to how the savings will be achieved

Both superintendents commented that an estimate and details of cost savings are impossible to currently determine. A major factor in this equation is the Labor Market Index. Mr. Deschene requested that the Reorganization Plan include language addressing the negative impact the Labor Market Index will have on cost savings. Superintendents spoke to the importance of legislators understanding that the Labor Market factor will be detrimental to most, if not all, RSUs.

### 3.6 Such other matters as the governing bodies of the SAUs in existence determine to be necessary

It was agreed that there's no need to add comments to those stated in 13-A of the Plan.

### 3.7 Plans to reorganize system administration, transportation, building and maintenance and special education

It was agreed that the RSU # 14 board members will address this reorganization. Mrs. Duran commented that the RPC may want to re-visit the composition (# of directors to be elected to RSU#14). Superintendents are to prepare a list of positions that could be combined or eliminated (any blatant overlay of costs/duplication).

**3.8 Cost sharing**

Consensus was that RSU#14's cost sharing formula will be 50% student population and 50% valuation based. This currently equates to Hermon paying 53%, Carmel 24% and Levant 23%.

**3.9 Tuition and School Contracts**

Consensus was that all RSU#14 secondary students will attend Hermon High School. The exception will be those students with approved tuition contract waivers as of July 1, 2009. Superintendents will seek legal opinion (and charge cost to RPC) re language, "...if tuition process is in place prior to the year entering into the RSU..."

**3.10 Determine any additional factors which support our reorganization with fewer than 2,500 students**

No additional language required.

**Next meeting:      Tuesday, February 19, 2008  
                             6:30 p.m.  
                             Suzanne Smith School, Levant**

Adjournment 8:45 p.m.

Submitted by Gaynor Reynolds, Recorder

Regional Planning Committee  
Minutes – March 11, 2008  
Suzanne Smith School, Levant

In Attendance:

Hermon

Town Council  
Town Manager  
School Committee

Ralph Carr, Sharon Nickerson  
Clint Deschene  
Donna Pulver, Shelley Snow,  
John Snyder, Gail Tudor  
Rhonda Byers, Kathleen Carmichael  
Patricia Duran

Citizen  
Superintendent

SAD 23

Selectman, Carmel  
Town Manager, Levant  
Board of Directors

John Luce  
Scott Pullen  
Debbie CoWallis (7 pm) Shannon Knowles,  
Peter Pelletier, Ken Rautiola  
John Backus

Superintendent

Superintendent Backus called the meeting to order at 6:40 p.m. He circulated copy of a March 7, 2008, letter from Commissioner Gendron. If an RPC has not taken any formal action since the last submission of their Reorganization Plan, the RPC chair may write a letter to the DOE indicating such (with no vote required of SAU boards). Superintendent Duran suggested holding off on any formal votes this evening.

1. Transfer of Property

Mr. Backus also circulated a copy of an email response from Dick Spencer, school legal counsel, re transfer of property to the RSU and highlighted three points: (1) that RSU board may request that the municipal officers or other boards transfer property to the RSU; (2) that municipal officers or boards may make the transfer; and (3) that RPC is to make recommendations to incorporate into reorganization plan.

Mr. Pelletier offered that the SAD 23 directors need to further discuss future use of their administrative office space and then negotiate at RPC meetings. Mr. Backus commented that he would like to see RSU 14 Board have the ability (through lease/ownership) to determine what facilities are necessary.

2. Debt Service

A spreadsheet detailing the debt service, repayment schedule and mil rate impact for Hermon was distributed:

*State approved* – Suzanne Smith School and Hermon High School (totally state funded)

*Revolving Renovation* – Hermon Elementary, Hermon Middle Roof and Hermon Middle #1 (percentage of loan forgiven by state)

*Local only* – Hermon Middle School #2

showing Carmel/Levant assuming pro-rated amount of debt service beginning 2009-10 based upon cost sharing formula of Hermon 53%, Carmel 24% and Levant 23%. Discussion ensued. It was agreed that superintendents will prepare a second spreadsheet based on an assumption that the four, non approved state projects were state funded (70% state funded with remaining 30% divided between the three communities). Mr. Backus offered that a straight forward compromise on debt service will better serve the future RSU membership. At the request of Mr. Rautiola, the superintendents will prepare a proposed expenditure budget (plugging in SAD 23's teaching staff using Hermon's 07-08 negotiated rate for salaries and benefits).

3. Staffing

Mrs. Duran explained that SAD 23 already shares several administrative positions with SAD 38, resulting in what she and Mr. Backus perceive as no significant personnel savings in the first 2-3 years of the RSU. It was agreed that central office functions may

change but both buildings will likely be required. (SAD 23 owns central office building and Hermon occupies building owned by IOOF at cost of paying utility and insurance costs.)

4. Tuition Contract

Legal counsel has advised that the current SAD 23/Hermon contract is not valid. Law states that contract must be for a minimum of two years and must have voter approval. On Thursday night SAD 23 will further discuss the contract and hopefully sign warrant to create an April 23 referendum vote. SAD 23 will then review the new contract language for approval. The new contract will eliminate reference to a tuition waiver, i.e., approve only those students enrolled in another high school as of September 1, 2008. It could be argued that if contract in effect July 1, 2009, contains tuition waiver language, it may obligate the RSU board to entertain applications for tuition waivers. Currently SAD 23 has 30 tuition waivers.

5. Bills before the Legislature

Governor Baldacci has included elements of LD 1732 into his budget (as he did last year) in an attempt to "push it through." Senator Damon (Ellsworth/MDI area) has an amendment to create super unions, i.e., school units forming together under one central office. Bottom line: to date nothing has changed from original law, including the cost sharing formula.

6. Vote to Submit Plan Update to DOE

Consensus was not to take any formal vote on Plan but to continue to meet. Letter will be forwarded to DOE indicating that no formal action has been taken on the Reorganization Plan since the last submission on November 30, 2007.

7. Other - None.

8. **Next meeting: Tuesday, April 15, 2008  
6:30 p.m.  
Hermon Middle School**

9. Adjournment at 8:05 p.m.

Submitted by,  
Gaynor Reynolds, Recording Secretary

Regional Planning Committee  
Minutes – May 20, 2008  
Hermon Middle School

In Attendance:

Hermon

Town Manager  
Town Council  
School Committee

Citizens  
Superintendent

Clint Deschene  
Ralph Carr  
Wendy Berglund, Shelley Snow, Donna Pulver,  
John Snyder, Gail Tudor  
Rhonda Byers, Kathleen Carmichael, Brian Walsh  
Patricia Duran

SAD 23

Town Manager, Carmel  
Board of Directors

Superintendent

Jim Collins  
Debbie CoWallis, Shannon Knowles, Ken Rautiola,  
Tracy Smith, Pat Webber  
John Backus

Guest

Maine State Representative, District 23 David Richardson

Superintendent Duran called the meeting to order at 6:30 p.m. She commented that the changes in the consolidation law will have very little impact on RSU #14.

Transfer of Property and Debt Service

One change in the law allows for individual units to retain ownership of buildings. With this decision, an agreement for routine maintenance must be established. Discussion ensued on advantages/disadvantages. Mr. Walsh opted for retaining ownership and spoke to the March 13, 2008, spreadsheet prepared by Mrs. Duran. Under a 70/30 split, Hermon would pay 86% of the debt service without retaining ownership. Mrs. Knowles asked about Caravel Middle School, which is "owned" by the two communities of SAD 23. Mr. Backus explained that the ED 279 (DOE EPS printout) will include the debt for all state approved projects within RSU #14. If decision is made to retain ownership, revenue lines will be established to offset portion of expenditures assumed by each town. Dr. Tudor commented that retaining building ownership may be an easier "sell" to the voters. Mr. Collins added that historically SAD 23 has not opted to locally fund a construction project.

Mr. Collins stated that the only reason for Carmel residents to vote for consolidation is cost savings, which have not been identified, and to avoid a penalty. Hermon's penalty would be approximately \$169,000 based on calculation as follows:

Town valuation x 6.68% minus 6.55% of valuation =	\$ 45,071
# of students x 105	<u>\$124,500</u>
	\$169,571

Superintendents are to prepare worksheets with individual towns keeping buildings, all debt being shared, and the penalties for each of the three towns for discussion at the next meeting.

Mr. Backus reminded the RPC that mandate is to create a plan to take to voters. Goal is November referendum.

Tuition

Mr. Backus reported that SAD 23 and Hermon should be ready to sign a tuition contract at their next meetings which grandfather only those students currently approved for tuition waivers.

Fund Balances and Reserve Accounts

Mrs. Duran explained that it's her understanding that any fund balances as of July 1, 2009, are to be credited to the SAU creating the balance. The RPC must determine whether the balance is to be applied to the assessment the first year or spread over a period of time. With substantial funds in both the fund balance and the capital reserve account, the SAD 23 Board prefers to have flexibility with these funds. Mr. Backus projected that SAD 23's fund balance would be exhausted in two years. The attorney has advised him that there needs to be language in the Plan to allow the voters to approve use of the capital reserve monies for other than capital reserve, e.g., to lessen the assessment as has been approved by SAD 23 voters in the past.

He proposed contacting the attorney to prepare this language with costs involved to be paid with monies to be received from the Department of Education (\$2,500/unit and \$2,500 RPC). The RPC voted to enter into an agreement with lawyer to draw up document. Unanimous vote

#### Scholarships, Trusts, Etc.

The RPC was amenable to Mrs. Duran's proposal that these items remain as currently designated.

#### Estimated Cost Savings

Mrs. Duran did some calculations: "plugging" Carmel teachers into Hermon's 08-09 scale, the difference is + \$343,000 for salaries and + \$87,000 for benefits. Hermon's dental insurance is \$1,000 per year per family member = + \$30,000 to \$40,000. Mr. Backus spoke to the importance of engaging professionals to negotiate the first contract with the teachers of RSU #14. Mrs. Duran reported on Hermon's ED 279 from four years ago to present, confirming that the State has less money to obligate. It's her thought that the State is asking local districts to "show us on paper how you are dealing with receiving less funding." Cost savings = \$0.

#### Do We Want a "Name"?

Mr. Walsh suggested the Blackstream School District. Suggestion was also made to involve students and communities after RSU is formed. Decision was to let RSU board determine.

#### Hermon.net

Mr. Backus commented that he does not see a "big push" from Carmel or Levant to become part of Hermon.net, that the cost of technology in Hermon (\$350,000) appears to be high, and that it's a complex town/school partnership. Mr. Collins echoed that Carmel would not be interested.

Currently the Town of Hermon pays about \$140,000/year to the School Department for services related to getting Hermon.net into the community. If Carmel or Levant would want similar services, there would be similar costs.

Mrs. Duran spoke to Mr. Wheeler's passion for providing services to students. Dr. Tudor complimented Hermon and Mr. Wheeler for the services provided to students.

Mr. Backus spoke to the need for a list of real property related to Hermon.net to include in the Plan as transferring to RSU.

Adjournment at 8 p.m.

**Next meeting: Tuesday, July 15, 2008, at 6:30 p.m., Hermon High School**

Submitted by,  
Gaynor Reynolds, Recording Secretary

Regional Planning Committee  
Minutes – July 15, 2008  
Hermon High School Room 139

In Attendance:

Hermon

Town Manager  
Town Council  
School Committee

Citizens  
Superintendent

Clint Deschene  
Sharon Nickerson  
Ralph Carr (left meeting 7:10 pm), Donna Pulver,  
John Snyder, Gail Tudor  
Wendy Berglund, Rhonda Byers, Kathleen Carmichael  
Patricia Duran

SAD 23

Board of Directors

Superintendent

Debbie CoWallis (7 pm), Shannon Knowles,  
Peter Pelletier, Ken Rautiola, Tracy Smith, Pat Webber  
Sue Rudnicki  
John Backus

Superintendent Duran called the meeting to order at 6:30 pm and distributed copies of timelines for either a November 8, 2008, or January 27, 2009, referendum. She spoke to the agenda: seven items not completed or still in progress when the Plan was submitted in December.

Disposition of Real and Personal School Property

Mrs. Duran spoke to the conversation she and Mr. Backus had yesterday with Jim Rier, DOE, who suggested that all property be put together but write into the plan that each community would retain responsibility for any major improvements. Then there is the need to define "major improvements" with a dollar value. Mr. Backus added that he and Mrs. Duran are waiting for a point of view from Ray Poulin or Norm Higgins, the coordinators under Jim Rier who are working with all facilitators. There are monies available through the reorganization program which would allow the RPC to apply for funding to hire an engineering firm to complete a buildings analysis. Mrs. Duran added that when this buildings analysis was required at the state level several years ago, the cost for Hermon's three buildings was \$24,000; and the DOE limit under the reorganization plan is \$10,000.

Mr. Carr stated that it's wrong to be talking separate entities. Mr. Pelletier added that we've agreed to share debt but not to what amount. The construction costs for HHS and the Suzanne Smith School are paid by the State; the State has already paid its share for the HES and HMS Revolving Renovation funds; and so the major stumbling block remaining is the locally approved debt for Hermon Middle School. Mr. Deschene stated his opinion that once the RPC determines the ratio to fund the current RR balances, the ratio should be forever the same for any RSU #14 RR projects. Mr. Pelletier suggested setting a specific rate on the HMS debt and then henceforth splitting 53% / 47%. Mr. Rautiola suggested that RPC absorb the current RR debt.

In response to Mrs. Pulver, Mr. Backus stated that he doesn't see Carmel/Levant residents approving any major renovations/additions to CES or CMS in the near future. There are portables in place at each facility and many dollars have been spent (asbestos removal, vinyl tile installation, ADA improvements for ventilation and fire safety code issues, heating system upgrades) in the past seven years.

Mr. Deschene suggested that we agree to fund RR and state approved projects but locally approved projects be the responsibility of the town approving the project. He set the parameter at \$25,000 with any phased plan and must be the project total for real property only. Mr. Backus countered that if a project benefits the entire RSU, should one town fund the project?

Mr. Carr suggested the formation of a sub committee to bring a proposal before RPC.  
Membership: Mr. Pelletier, Mr. Carr, Mrs. Rudnicki and Mr. Walsh.

**Motion was made by Mr. Pelletier, seconded by Mr. Deschene, to set up a sub committee without administrative membership to address existing school indebtedness,**

YES - 6

NO - 9



Mr. Pelletier asked for a spreadsheet of varying percentages for funding the MS project.

**Motion was made by Mr. Deschene, seconded by Mr. Snyer, to support remaining debt (53% H / 24% C / 23% L) on all schools except \$4.69 million HMS gymnasium project.**

**YES - 8**

**NO - 4**

Mr. Deschene explained that if you take \$4.69 million, remove 70% as Hermon's responsibility and divide the remaining 30% by 53%/24%/23%, it equates to Hermon paying 86%. Mr. Rautiola commented that if the RSU were to split the debt 50/50, Hermon would still pay 75% and that it's more reasonable to go with the 30%. Mr. Deschene added the HMS debt is backloaded.

Mr. Deschene further explained that if MS debt was 70% / 30% shared, Levant's share would be \$28,000 and Carmel's \$27,000 versus if 100% shared, Levant's share would be \$95,900 and Carmel's \$91,900. Mr. Rautiola cautioned that with an equally divided penalty for SAD 23, the first year cost would be \$70,000 for each community (a difference of \$25,000 if absorbing entire debt), and asked why would either C/L choose to pay a penalty?

Mrs. Duran commented that if decision is made to pay the penalty for one year only to decide it was a mistake, you can reconvene and the Committee starts it work again. Mr. Backus added that there may be a vote to repeal the reorganization law.

Mr. Deschene asked: Can we agree to finish the plan, accepting the indebtedness on that one, and write a letter to DOE immediately stating that we are at an impasse on the MS debt and all three communities feel it's going to prevent a positive vote and would like the DOE's help?

**Motion was made by Mr. Deschene, seconded by Mr. Rautiola, to reject two options (1) 70% H / 30% (H/C/L) or (2) 53% H / 24% C / 23% L to fund MS project currently in front of RPC.**

**YES 13**

**NO 1**

Mrs. Rudnicki suggested letting the communities know that we're at an impasse. A press release was suggested. Both superintendents spoke to the fact that other than the 14 plans submitted as alternative structure plans, e.g., Bangor, Hampden, all units are struggling to complete a plan.

Suggestion was to write into plan the consolidation of administration only until natural termination of contracts of both superintendents. In order to apply for an alternative structure plan, units must be working toward alignment of teacher contracts.

It was agreed that the superintendents would invite Ray Poulin or Norm Higgins to attend an RPC meeting ASAP to provide an update on progress statewide as well as feedback (stumbling blocks, issues, what other units are doing) on what needs to be in plan to be accepted. Mr. Deschene asked if the minutes could be turned into a list of questions and received a week in advance of this meeting.

Adjournment at 8:10 p.m.

Submitted by,  
Gaynor Reynolds, Recording Secretary

#### Questions for DOE Facilitator

1. There's unfunded debt causing an issue and if we move any of the debt in excess of \$142,000 to C/L, is it better for C/L to vote against consolidation? But, kept lower than \$142,000 and future debt is taken on, Hermon has to pay at 53%.

Regional Planning Committee  
Minutes – September 23, 2008  
Carmel Elementary School

In Attendance:

Hermon

Town Council  
Town Manager  
School Committee  
Citizens  
Superintendent

Sharon Nickerson  
Clint Deschene  
Ralph Carr, Donna Pulver, Shelley Snow, John Snyder  
Rhonda Byers, Kathleen Carmichael  
Patricia Duran

Carmel

Selectman  
Selectwoman  
Town Manager, Levant  
Board of Directors  
Superintendent

John Luce  
Susan Rudnicki  
Scott Pullen  
Shannon Knowles, Peter Pelletier, Ken Rautiola,  
Tracy Smith  
John Backus

Superintendent Duran called the meeting to order at 7 pm and initiated a discussion of the draft Reorganization Plan dated September 23, 2008. In response to Mr. Carr, it was explained that RSUs have the option of (1) using a number assigned by the DOE, (2) requesting a particular number from DOE or (2) voting to name the RSU.

1. Units of School Administration - OK

2. Size, Composition and Apportionment of Governing Body

Mr. Backus stated that "subject to approval of voters" must be added to the sentence: "Board members shall receive \$25 per member per meeting" (as in the 12/1/07 Plan submission)  
Mr. Backus will seek a legal opinion as to whether voters' adoption of the Plan includes their approval of the stipend as well.

3. Method of Voting of Governing Body

On a motion by Mr. Deschene, seconded by Mrs. Carmichael, the RPC voted that the Plan include language allowing the RSU to change the board's composition.

Unanimous vote

When seeking the legal opinion above, Mr. Backus will ask if language has been developed to address a change in board composition.

This vote was the result of a discussion initiated by Hermon representatives who expressed concern for having six residents willing to serve on the RSU board. Members confirmed that there would be not be weighted voting.

4. Composition, Powers and Duties of any Local School Committees – OK

5. Disposition of Real and Personal School Property

On a motion by Mr. Pelletier, seconded by Mr. Deschene, the RPC voted that the Town of Hermon will continue to own and maintain indefinitely the piece of land behind Hermon Elementary School and will make the land available to the RSU should it be needed for school expansion.

Unanimous vote

The communications tower located at Hermon High School remains the property of the Town of Hermon and is listed under "Excluded Personal Property."

6. Disposition of Existing School Indebtedness

A. OK

B. On a motion by Mr. Deschene, seconded by Mr. Snyder, the RPC voted to end the language on the Debt Service/Capital Improvement Agreement with the sentence ending with "cost sharing formula."

Voting for: 9

Voting against: 4

On a motion by Mr. Pelletier, seconded by Mr. Luce, the RPC voted to open a discussion to reduce the \$3.47 million in capital improvement costs for Carmel and Levant to \$2.5 million.

Voting for: 6

Voting against: 9

On a motion by Mr. Carr, seconded by Mrs. Carmichael, it was voted that the RSU Board will review and determine what qualifies as a capital improvement.

Unanimous vote

C. – F. OK

7. Assignment of School Personnel Contracts – OK8. Disposition of Existing School Funds and Existing Financial Obligations, Etc.

A. OK

B. On a motion by Mr. Deschene, seconded by Mrs. Carmichael, it was voted to include the following language under B. Remaining Balances:

As part of the transition to the cost sharing formula of the regional school unit, the unexpended balances received by the treasurer of the regional school unit from Maine School Administrative District No. 23 shall be used during the first five fiscal years of the RSU to reduce the local contributions of the towns of Carmel and Levant to the RSU. The aggregate amount to be used in each of the first four fiscal years for the purpose shall be approved in writing by a majority of the members of the RSU Board representing each of the towns in the original SAU (Carmel/Levant). The aggregate amount approved for this purpose for each of the first four fiscal years shall be allocated to original SAU in proportion to the amounts of their respective State valuations in the preceding calendar year.

Unanimous vote

Mr. Deschene added that the balances in Hermon's reserve accounts for Capital, Maintenance and Unemployment will also transfer to the RSU.

C.-E. OK

9. Transition Plan

OK with transfer of the following language from 13-C.

Each board member shall serve a three year term, except that the initial terms of the initial members of the initial regional school board shall be staggered as provided by Section 20 – A M.R.S.A. 1472B. Initial Board members will be elected in February 2009, with each town electing their subsequent representatives as they currently do following the initial election.

10. Documentation of Public Meetings – OK

11. Explanation of How Units that Approve the Reorganization Plan will Proceed

On a motion by Mrs. Byers, seconded by Mrs. Carmichael, the RPC voted that language stating that if this law is repealed, this Plan will be null and void.

Unanimous vote

12. Estimate of Cost Savings

On a motion by Mr. Pullen, seconded by Mrs. Carmichael, to change the "\$0" to "Unknown" for the savings, additional costs, and net savings (or costs) for the first, second and third years of operation.

Unanimous vote

Mr. Deschene suggested that the superintendents meet to compile a one page summary of estimated savings and additional costs prior to the vote.

13. Such Other Matters

Mrs. Duran offered that this statement assures that the communication system at the three schools in Hermon will not be reduced. Discussion ensued.

On a motion by Mr. Carr, seconded by Mrs. Snow, the following language change to the last sentence in the first paragraph was proposed: "The RPC further recommends that collaboration for the communication network continue to exist with the Town of Hermon including a staff to operate, maintain and continue to develop this community asset."

Voting for: 10

Voting against: 1

On a motion by Mrs. Carmichael, seconded by Mrs. Snow, the RPC voted to retain the statement inclusive of the language change approved in the previous vote.

Voting for: 9

Voting against: 0

13-A. Plans to Reorganize Administration, Transportation, Etc – OK13-B. Cost Sharing

50% Fiscal Capacity and 50% Resident Pupils – OK

On a motion by Mr. Carr, seconded by Mr. Pelletier, the RPC voted to adopt language provided by Mr. Backus on the procedure to amend the local cost sharing formula.

Unanimous vote

He emphasized that for any change to be effective, it requires a majority vote of the voters voting in each municipality in the RSU.

13-C. Election of Initial Board of Directors

The template provides wording that this section has been deleted.

13-D. Tuition Contracts and School Choice

Mr. Backus will provide language re tuition waivers to include in this section.

With the incorporation of the RSU, any tuition contract in existence becomes null and void.

13-E. Claims and Insurance – OK13-F. Vote to Submit Reorganization Plan to Commissioner – OK13-G. Sections for RSUs with Fewer than 2,500 Students – OK

The draft Reorganization Plan addressed this evening will be amended and emailed to RPC members for review. Pending any substantial differences after consultation with the attorney, on a motion by Mr. Pelletier, seconded by Mrs. Carmichael, the RPC voted to authorize submission of this Plan and to forward it to the Hermon School Committee and SAD 23 Board of Directors for approval.

Unanimous vote

Respectfully submitted, Gaynor Reynolds, Recording Secretary

Regional Planning Committee  
Minutes – October 30, 2008  
Hermon Middle School

In Attendance:

Hermon

Town Council  
Town Manager  
School Committee  
Citizens

Superintendent

Tim McCluskey, Sharon Nickerson  
Clint Deschene  
Ralph Carr, Donna Pulver, John Snyder, Gail Tudor  
Wendy Berglund, Rhonda Byers, Kathleen Carmichael,  
Brian Walsh  
Patricia Duran

Carmel

Selectman  
Selectwoman  
Board of Directors

Superintendent

John Luce  
Susan Rudnick  
Debbie CoWallis, Shannon Knowles, Peter Pelletier,  
Ken Rautiola, Tracy Smith, Pat Webber  
John Backus

Guest

Maine State Representative, District 23 David Richardson

Superintendent Duran called the meeting to order at 6:30 p.m. and distributed an agenda, a response from DOE Commissioner Gendron and a revised draft Reorganization Plan. She and Mr. Backus met on October 9 re the Commissioner's response, and then the Hermon School Committee requested that the RPC meet. Mr. Backus clarified that he submitted the draft to expedite matters prior to submitting the official Plan. The RPC initiated discussion to revise the draft Plan in response to the sections listed in the Commissioner's letter.

3. Method of Voting

Members confirmed that there is no weighted voting but sub division representation voting as follows: Carmel: 3, Levant: 3 and Hermon: 6.

7. Exhibits 7-A, 7-B and 7-C

Members reviewed Exhibits 7-A and 7-B. Exhibit 7-C will be completed in the near future. As requested, the expiration date for a collective bargaining agreement will be included in Item

7.B.;

and the last sentence, "The SAU Board and superintendent shall seek to terminate or negotiate for termination of the following contracts prior to the operational date:" will be deleted.

10. Minutes of meetings (Exhibit 10-A) will be forwarded with final submission of Plan.

12. Cost Savings

Mr. Rautiola spoke again to the cost sharing taking place between SAD 23 and SAD 38. Mr. Deschene reminded the RPC of the increased cost to merge the financial books in the first year of the RSU. The Labor Market factor was discussed again. If Carmel/Levant were to move to Hermon's current rate of 1.02%, it would reflect an additional \$300,000 cost to Hermon. It was agreed that the superintendents will expand the narrative to include a reference to the shared positions listed in Exhibit 7-A, relocate the narrative to the beginning of the item and provide net savings or costs in each category.

13-A. Mrs. Duran commented that she has not received a response to her request for a facilities assessment. Mr. Backus added that McCormick Engineering will not do facilities analysis but will look at information districts prepare and provide feedback.

13-C. Election of Initial Board of Directors

As requested, language included in the December 2007 submission of the Plan will be reinstated in Section 9. "This section has been deleted" will be added to Section 13-C.

13-D. Tuition Students and School Choice

As requested, heading will be revised to "Assignment of Tuition Students" and the phrase, "until graduation" will be added to the last sentence under this Section. It was agreed to revise the second sentence to read, "The *previous* contract with Hermon *allowed* for the MSAD 23 Board to approve ....." and to add the sentence, "The current contract does not allow for this provision."

Other

Mrs. Duran noted that when she and Mr. Backus looked at the difference in salary costs a year ago, they estimated it could cost an additional \$350,000 to bring SAD 23 salaries to Hermon's rate. However, this reflects only teacher salaries and not support staff salaries and benefits. Hermon pays \$1,000 in dental costs for each teacher's family members; SAD 23 does not. There's also a difference in benefits for health benefit costs. She spoke to a workshop she and Mr. Backus attended recently and were told that when you become an RSU, you start at "ground zero" to build a new contract. Mr. Backus added that with SAD 23's teachers' contract expiring this year, it's an opportunity for the RSU to look at the language. Both agreed that teachers are not likely to agree to a lowering of salaries.

Mr. Deschene suggested including a statement re increased costs for legal fees and consultants.

Mr. Backus distributed information related to the cost savings section which he had shared with SAD 23 directors. Melding both budgets as if in the RSU now and basing it upon the agreed to 50% student population/50% valuation, he provided several scenarios resulting in the same choices: kick in more locally or cut the budget. He added that Mr. Rier with DOE ran the same figures through a template with similar results. He and Mrs. Duran agreed that this is due in large part to Hermon being over on EPS. Mrs. Duran gave the example of EPS providing about \$28,000 for high school athletics when spending about \$400,000.

In order to keep the three units closer to where they currently are with assessment, Mr. Rier said Hermon would need to pick up 67% of the cost (with 50% of the students).

Mr. Pelletier posed the question – Is it "still cheaper to pay penalty this year and move on?"

Mr. Backus urged that the law states that the RPC approve a reorganization plan, the boards approve submission of a plan to DOE, and a warrant prepared for a public hearing.

On a motion by Mr. Deschene, seconded by Mrs. Carmichael, the RPC voted to grant approval to authorize submission by the boards of the plan as revised knowing the superintendents will submit a budget to be included.

Unanimous vote

Mrs. Duran stated that she anticipates there will be proposals before the Legislature for changes in this law or the creation of other options. Mr. Backus added that a softer version of the AOS may be better suited to Hermon/Carmel/Levant.

Adjournment at 7:55 p.m.

Respectfully submitted by,  
Gaynor Reynolds  
Recording Secretary